



DEPARTMENT OF
FINANCE

GAVIN NEWSOM ■ GOVERNOR

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November 14, 2019

Mr. Steve Masura, Vice President, Administration and Operations
Kosmont Companies
The City of Los Banos Designated Local Authority
1601 North Sepulveda Boulevard, #382
Manhattan Beach, CA 90266

Dear Mr. Masura:

Subject: Amended Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1) (E), the City of Los Banos Designated Local Authority Successor Agency (Agency) submitted an Amended Recognized Obligation Payment Schedule for the period January 1, 2020 through June 30, 2020 (Amended ROPS 19-20B) to the California Department of Finance (Finance) on October 1, 2019. Finance has completed its review of the Amended ROPS 19-20B.

Based on a sample of line items reviewed and application of the law, Finance has made the following determination:

Item No. 11 – Property assessments in the amount of \$33,905 is not allowed. The Agency is requesting property assessment fees on properties that were approved to transfer to the City of Los Banos (City) under Oversight Board Resolution Nos. 2018-13 and 2018-15. The Agency states the remaining properties approved for transfer to the City cannot be transferred until remediation is complete.

The Agency did not provide any documentation to support its assertion that the ongoing remediation of the properties inhibits or restricts their ability to be transferred to the City. To the extent the Agency is responsible for certain remediation costs, the Agency may include the request for funding in a subsequent ROPS. Therefore, the requested amount of \$33,905 is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.

Since Finance did not approve any adjustment to RPTTF, the Agency's maximum approved RPTTF distribution for the ROPS 19-20B period remains at \$1,275,957 as summarized in the Approved RPTTF Distribution table (see Attachment).

Please refer to the ROPS 19-20B schedule used to calculate the total RPTTF approved for distribution:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This is Finance's determination related to the funding of enforceable obligations reported on your Amended ROPS 19-20B. Please note there is not a Meet and Confer option for the Amended ROPS process, so Finance's determination is final. This determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this Amended ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

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The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Todd Vermillion, Supervisor, or Michael Painter, Lead Analyst, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

cc: Mr. Michael Amabile, Chair, Los Banos Designated Local Authority
Ms. Sylvia Sanchez, Supervising Accountant, Merced County

Attachment

Approved RPTTF Distribution January 2020 through June 2020	
Authorized RPTTF on ROPS 19-20B	\$ 1,175,957
Authorized Administrative RPTTF on ROPS 19-20B	100,000
Total Authorized RPTTF on ROPS 19-20B	1,275,957
Total Requested 19-20B RPTTF Adjustments	33,905
Finance RPTTF Adjustments	
Item No. 11	(33,905)
Total Finance Authorized 19-20B RPTTF Adjustments	0
Total Amended ROPS 19-20B RPTTF approved for distribution	1,275,957